

FISCAL YEAR 2004 HOMELAND SECURITY APPROPRIATIONS BILL Conference Report

SUMMARY

On 24 September 2003, the House passed the conference report accompanying the Homeland Security appropriations bill (H.R. 2555; H. Rept. 108-280) by a vote of 417-8.

The report provides new budget authority [BA] equal to the 302(b) suballocation for the Appropriations Subcommittee on Homeland Security.

Although the conference report is within the subcommittee's allocation, one provision – the Biodefense Countermeasures [Bioshield] initiative – violates the budget resolution rule limiting appropriations for future years (commonly called “advance appropriations”). The fiscal year 2004 budget resolution assumed funding for this initiative, but did not anticipate it would require advance appropriations.

COST OF THE LEGISLATION

The conference report provides \$29.411 billion in new budget authority [BA] and \$30.110 billion in outlays for 2004 – an increase of \$8.144 billion in BA and \$6.361 billion in outlays from fiscal year 2003 (excluding the Iraq conflict supplemental, Public Law 108-11, and the Disaster Relief supplemental, Public Law 108-69). The BA is \$1.192 billion above the President's request (see Table 1 below).

The conference report does not contain emergency-designated new budget authority. It does include rescissions of budget authority previously enacted in the Iraq conflict supplemental appropriations bill (Public Law 108-11) for the U.S. Coast Guard. The rescission provides savings that total \$71 million in budget authority and \$57 million in outlays.

Table 1: Homeland Security Appropriations Bill
(fiscal years; millions of dollars)

	2003 Spending ^a	Administration 2004	302 (b) for 2004	Bill
Budget Authority	21,267	28,219	29,411	29,411
Outlays	23,749	29,446	30,506	30,110

^a Does not include \$7.002 billion in BA and \$3.809 billion in outlays included in the fiscal year 2003 Iraq conflict supplemental (Public Law 108-11) or \$984 million in BA with no related outlays for Disaster Relief Supplemental (Public Law 108-69).

COMPLIANCE WITH THE BUDGET RESOLUTION

The bill complies with sections 302(f) and 311(a) of the Budget Act. The first of these prohibits consideration of any bill that exceeds a subcommittee's 302(b) suballocation for new budget authority. The \$29.411 billion in new

discretionary budget authority is the same as the 302(b) suballocation to the House Appropriations Subcommittee on Homeland Security; the outlays are below the subcommittee's applicable suballocation.

(continued on next page)

Section 311(a) of the Budget Act prohibits consideration of legislation exceeding the aggregate levels of budget authority and outlays established in the budget resolution for fiscal year 2004. At the time of consideration, this was only the second conference report on an appropriation bill to be agreed to, so that the aggregates would not have been breached by this bill.

Nevertheless, the conference report does not comply with section 501 of the fiscal year 2004 budget resolution. This section limits the programs for which advance appropriations may be provided, and limits the total amount of advance appropriations to \$23.2 billion.

The conference report provides an advance appropriation for the Biodefense Countermeasures [Bioshield] initiative of

\$2.528 billion. The budget resolution accommodated funding for Bioshield through discretionary appropriations, but did not anticipate that this new program would be funded by advance appropriations, and did not include it on the list of activities to be funded by advance appropriations.

As a consequence of negotiations between the relevant committees and the administration, H.R. 2, the House-passed authorization bill for Bioshield, structured the initiative as a discretionary program on the assumption that it would receive an advance appropriation for fiscal year 2005 at levels consistent with the budget resolution. Although the conference report does not comply with section 501 of the budget resolution, the point of order was not applied because the bill was considered under a rule that waived all points of order.

Table 2: Discretionary Spending in the Homeland Security Appropriations Bill
(in millions of dollars)

	2003 Budget Authority ^a	2003 Outlays ^a	2004 Budget Authority	2004 Outlays	Difference BA	Difference Outlays
Border and Transportation Security	11,119	10,363	15,522	16,193	4,403	5,830
<i>Transportation Security Agency</i>	3,021	3,861	2,602	5,101	-419	1,240
<i>Customs and Immigration Enforcement</i>	6,846	5,493	8,691	7,953	1,845	2,460
<i>Office for Domestic Preparedness</i>	1,084	823	4,037	2,962	2,953	2,139
<i>Federal Law Enforcement Training Ctr.</i>	168	186	192	177	24	-9
Coast Guard	5,134	5,067	5,756	5,296	622	229
Emergency Preparedness and Response	2,202	5,948	4,377	5,427	2,175	-521
Secret Service	1,019	1,018	1,141	1,153	122	135
Citizenship and Immigration Services	669	535	236	325	-433	-210
Science and Technology	573	328	918	573	345	245
Department Management	300	263	407	414	107	151
Information Analysis and Infrastructure Protection	175	156	839	514	664	358
Inspector General	76	71	81	80	5	9
Other/Rounding			134	135	134	135
Total	21,267	23,749	29,411	30,110	8,144	6,361

^a Does not include \$7.002 billion in BA and \$3.809 billion in outlays included in the fiscal year 2003 Iraq conflict supplemental (Public Law 108-11) or \$984 million in BA with no related outlays for Disaster Relief Supplemental (Public Law 108-69).

DISCUSSION

Fiscal year 2004 appropriations for the Homeland Security subcommittee total \$8.1 billion more than fiscal year 2003

(without the Iraq conflict and disaster relief supplementals). This increase is largely due to the following:

(continued on next page)

- *Border and Transportation Security - \$4.4 billion:* The bill increases the Office of Domestic Preparedness by \$3.0 billion. It provides a total of \$3.287 billion for State and local aid for terrorism prevention and emergency response, and \$750 million for firefighting grants. Administration for the firefighter assistance grants has been moved to the Office of Domestic Preparedness from the Emergency Preparedness and Response directorate. The bill provides \$1.8 billion for Customs and Immigration Enforcement and \$24 million for the Federal Law Enforcement Training Center over fiscal year 2003 amounts; the Transportation Security Administration receives \$419 million less than 2003 regular appropriations.
- *Emergency Preparedness and Response - \$2.2 billion:* The bill increases funding for Disaster Relief by \$1 billion over fiscal year 2003 to return it to a more regular level of funding (although it is \$156 million less than the President's 2004 request). The bill also includes \$890 million for Bioshield, as discussed above.
- *Coast Guard - \$622 million:* The bill provides much of the increase over fiscal year 2003 requested by the President for operating expenses, plus \$168 million for the Deepwater initiative, a multiyear program to update the Coast Guard fleet.
- *Other - \$944 million:* Fiscal year 2004 spending includes increases over fiscal year 2003 regular appropriations for Information, Analysis and Infrastructure Protection (\$664 million); Science and Technology (\$345 million); the Secret Service (\$122 million); Department Management (\$107 million); assistance to displaced airline workers from Public Law 108-11 (\$134 million); and the Inspector General (\$5 million). These increases are offset by a reduction in Citizenship and Immigration Services (\$433 million).

OTHER HOUSE COMMITTEE ON THE BUDGET MAJORITY STAFF PUBLICATIONS

In addition to *Appropriations Update*, the Budget Committee majority provides the following publications:

- *Budget Week* - This document is published on the Mondays of legislative weeks, and presents brief, early assessments of any expected budgetary problems with legislation scheduled for the floor.
- *Legislative Update* - Like the *Appropriations Update*, this document is published for major authorization bills, detailing any anticipated violations of budgetary rules.

- *Economic Update* - This is a monthly publication that presents an objective and authoritative discussion of key economic indicators.
- *Budget and Economic Monitor* - This publication reviews broader program or economic issues and their potential impact on the budget.

For more information, call the committee majority staff office, (202) 226-7270, or see the committee's website www.budget.house.gov.

Prepared by Lynn Kremer, Budget Analyst
Daniel J. Kowalski, Director of Budget Review